GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:354
ANSWERED ON:19.11.2007
RECOMMENDATIONS MADE BY TRAI
Kaushal Shri Raghuvir Singh

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Telecom Regulatory Authority of India (TRAI) has recommended to the Government to put in place 3G Spectrum and Broadband Wireless Excess system and for fixing price with regard to them with a view to effecting expected growth in the number of the Broadband Customers;

(b) if so, the details thereof;

(c) the decision taken by the Government in this regard;

(d) the benefits likely to be availed of by the customers as a result of putting in place the said system; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) to (c) Yes, Sir. The Government has announced the guidelines for 3G services and Broadband Wireless Access (BWA) services. These are given at Annexure-I and II respectively.

(d) to (e) The 3G (3rd generation) networks will be capable of providing higher data rates and will also be capable of supporting a variety of services such as high- resolution video and multi media services in addition to voice, fax and conventional data services. Introduction of Broadband Wireless Access (BWA) services will enhance the penetration as well as growth in broadband subscribers. This will also address the level of broadband penetration in the country, especially in rural areas.

ANNEXURE-I

Guidelines for 3G Services:

Ã˜ The 3G (3rd generation) mobhile telecommunications is the generic name for the next generation of mobile networks that will combine wireless mobile technology with high date rate transmission capabilities. The 3G networks will be capable of providing higher data rates and will also be capable of supporting a variety of services such as high-resolution video and multi media services in addition to voice, fax and conventional data services.
Ã˜ 3G spectrum will be permitted in the 2.1 GHz band.
Ã˜ The 3G licences would be granted through a controlled, simultaneous ascending e-auction, by a specialized agency to ensure transparency in the selection process.
Ã˜ Besides the initial, one time spectrum charge, it has been decided that the successful service provider would pay additional spectrum charge of 0.5% of their total Adjusted Gross Revenue (AGR), as the recurring annual spectrum charge. The additional revenue share is proposed to be 1% of AGR after 3 years from the date of spectrum assignment.
Ã˜ The roll out requirements, including rural roll-out, as well as stiff penalties for non compliance of the same has been stipulated.
Ã˜ Mergers will not be allowed during the initial five years. No trading/reselling of spectrum is allowed.
Ã˜ The CDMA spectrum in 800 MHz band for EV-DO applications would be treated separately from 2.1 GHz spectrum. If the CDMA based service provider(s) ask for the EV-DO carrier of 2 x 1.25 MHz, they would have to pay an amount proportionate to the highest bid for spectrum in 2.1 GHz band.

ANNEXURE-II

Guidelines for BWA Services:

Ã˜ To begin with BWA services will be permitted in the 2.5 GHz band by UASL and Category 'A' ISPs besides BSNL/MTNL.
Ã˜ Each service provider will be allotted spectrum upto 2x 10MHz in 2.5 GHz band, for use by the service provider in FDD (paired) or TDD mode.
Ã˜ The BWA services would be permitted through a controlled, simultaneous ascending e-auction, by a specialize agency to ensure transparency in the selection process.

Ã˜ The base/reserve price would be 25% of amount for 3G spectrum.
Ã˜ Besides the initial, one time spectrum charge, additional spectrum charge of 0.5% of total Adjusted Gross Revenue (AGR), will be levied as the recurring annual spectrum charge. This additional revenue share is proposed to be 1% of AGR after 3 years from the time of spectrum assignment.
Ã˜ The roll out conditions, including rural roll-out, as well as stiff penalties for non compliance of the same has been stipulated.
Ã˜ Mergers will not allowed during the initial five years. No trading/reselling of spectrum is allowed.
Ã˜ Other service providers will be considered for spectrum allotment for BWA services in the 2.3 GHz band and 3.3 − 3.4 GHz band.
Ã˜ After assessing the compatibility with satellite based services, the allotment of spectrum in the 3.4 − 3.6 GHz band will be considered.